

# Washington State Export Trends

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# Why Listen to This Guy?

- ▶ Ph.D. 2008 University of Minnesota
- ▶ *Dissertation*: State Export Behavior & Policy
- ▶ Research interest: Regional development through exportation
  - Information barriers to trade
  - Costs to begin exporting
  - Export promotion policy
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  - Pullman, WA



# Washington Export Trends

- ▶ Document the changing trends in Washington exports
- ▶ Focus on biggest industries & also ag industries
- ▶ Put exports in the context of total shipments
- ▶ What does it mean for Washington to be most export-reliant state?



# A Little About the Data

- ▶ State-level export **value** measured at the port of exit
- ▶ Reported either by product or by industry.  
I consider industry
- ▶ Inflation-adjusted values using producer prices
- ▶ Manufacturing only, but includes processed ag exports
- ▶ Mining & unprocessed ag not counted because consolidation of multiple states' shipments at port
- ▶ Services not counted because they don't exit at port
- ▶ Not easy (or possible?) to derive employment or value-added due to exports



# Destination Composition

<b>Country</b>	<b>Real Exports</b> (1982-84 billions)	<b>Share</b> (percent)	<b>Rank</b> 2005-10	<b>Rank</b> 2002-07
Canada	17.40	16.5	1	1
China	11.68	11.1	2	3
Japan	11.59	11.0	3	2
UAE	5.35	5.1	4	8
Korea	3.96	3.4	5	5

- ▶ UAE and airplanes
- ▶ Dropped from rankings: Singapore (now 10th)
- ▶ New Free Trade Agreement with Korea



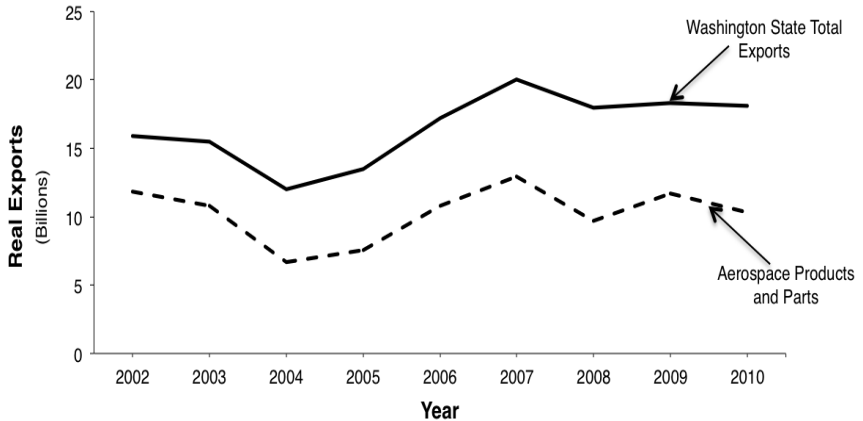
# Industrial Composition

<b>Industry</b>	<b>Real Ex</b> (billions)	<b>Share</b> (percent)	<b>Rank</b> 2005–10	<b>Rank</b> 2002–07
Aerospace	62.92	59.7	1	1
Petro & Coal Prds	4.53	4.3	2	3
Nav. & Med. Inst.	3.71	3.5	3	2
Pulp, Paper Mill Prds	2.25	2.1	4	5
Other Machinery	2.13	2.0	5	7

- ▶ Aerospace dominates WA exports, though down from 65%
- ▶ Dropped: Semiconductors & Elec. Comp. (now 6)
- ▶ Computer equipment was 6th, now 10th



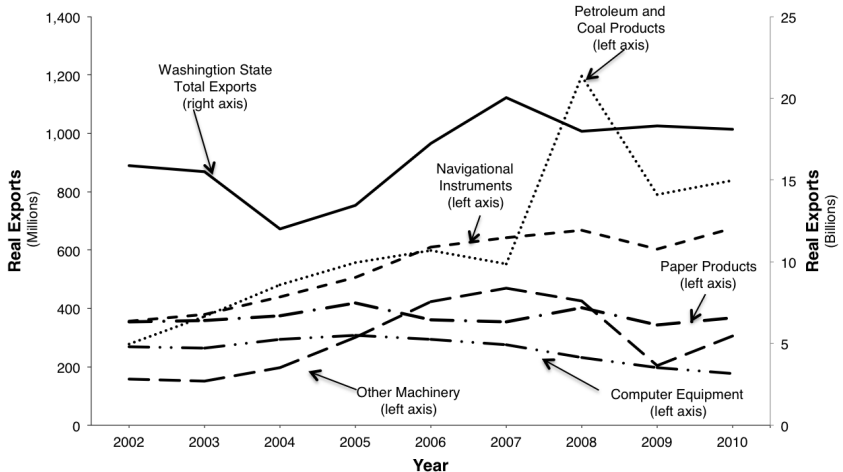
# Total Washington Real Exports



- ▶ Aerospace drives WA export trends
- ▶ 2010 WA exports up slightly, though aerospace down



# Total Washington Real Exports

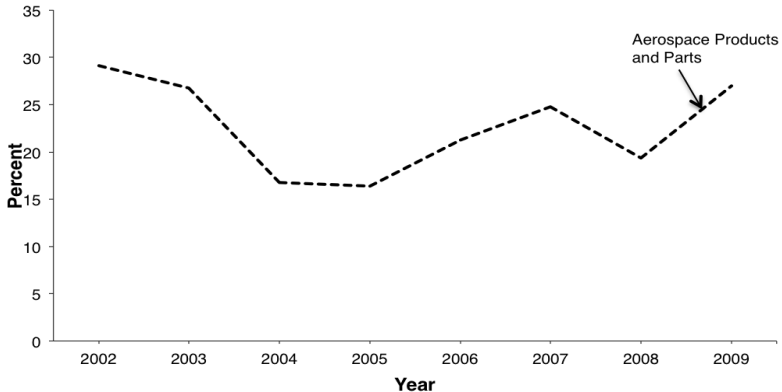


- ▶ Decline of computer equipment a longterm trend
- ▶ What is going on with petroleum & coal products?





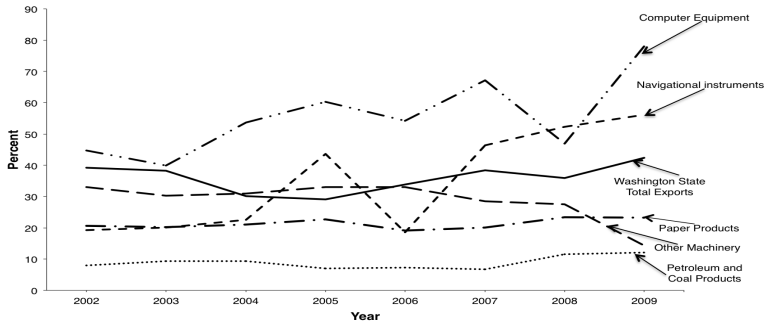
# Exports as Percent of Shipments



- ▶ 2010 shipments data not available yet
- ▶ WA exports more of its shipments than any other state



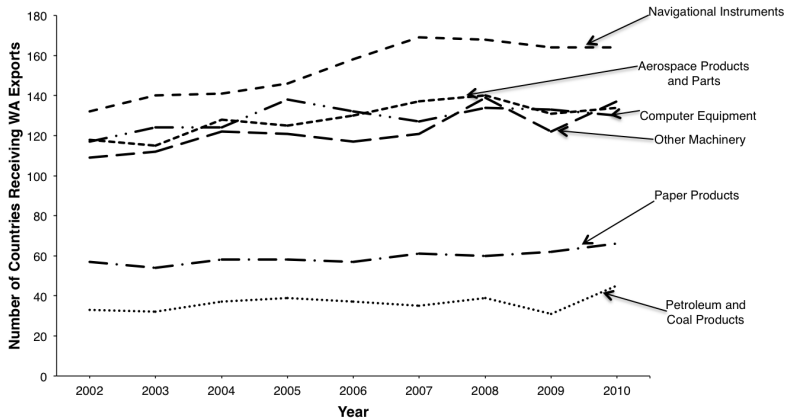
# Exports as Percent of Shipments



- ▶ Most firms export less than 15% of shipments
- ▶ Exports increasingly important, but not all sectors



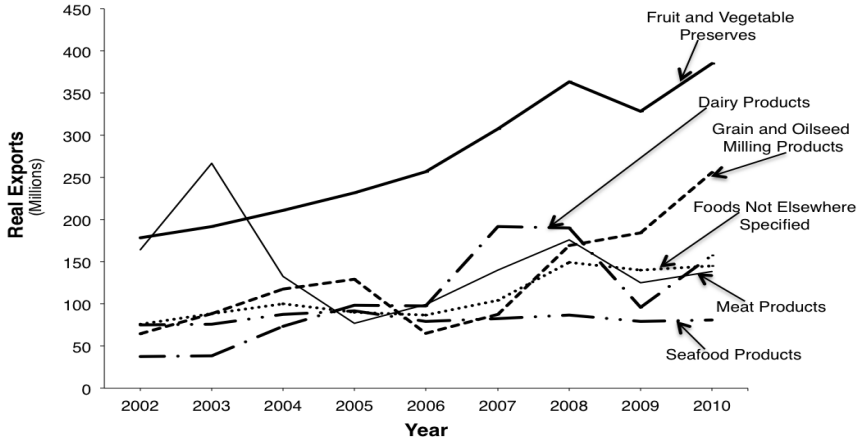
# Number of Countries Importing



- ▶ Increasing market diversity
- ▶ Are gains in exports from more sales to old markets or entering new markets?



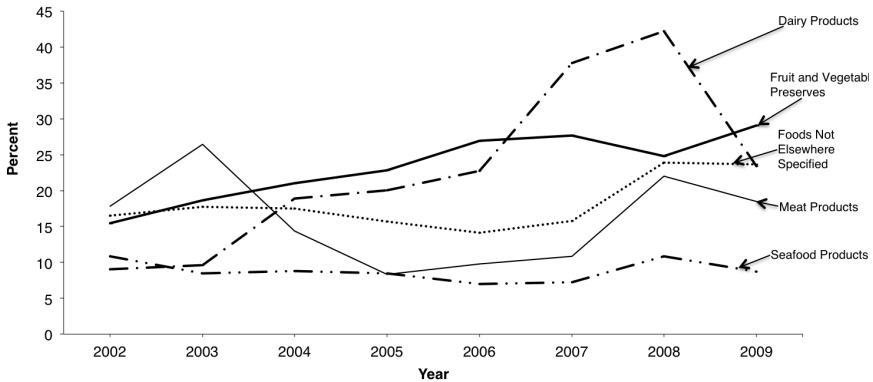
# Washington Processed Agricultural Exports



- ▶ Large increases over last decade for some industries
- ▶ Does WA produce Grain & Oilseed Millings Products?



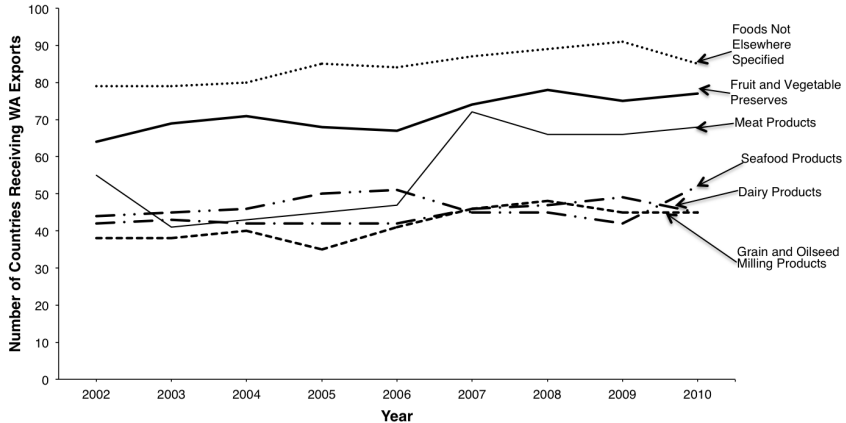
# Ag Exports as Percent of Ag Shipments



- ▶ Exports increasingly important, as with overall exports
- ▶ Fluctuations in dairy reflect overall industry turmoil



# Number of Countries Importing Ag



- ▶ Increasing market diversity for all industries
- ▶ Nontariff barriers particularly important
- ▶ Online, filterable, Ag tariff database



# Conclusion

- ▶ Exports trends useful for assessing market conditions
  - Small and medium sized businesses
  - Forecasting Washington economic health
  - Export promotion & collective reputation
- ▶ 10 year trend of increasing Washington exports
  - Applies more-or-less to most export industries
  - Applies to total, percent of shipments, and # of markets
- ▶ Aerospace dominates WA exports in all dimensions
- ▶ Important to monitor % of sales and # of markets, not just aggregate value
- ▶ Changing composition of countries
  - China increasingly important (no surprise)
  - Lumpy purchases of aerospace by countries



# Export Assistance Program

- ▶ Create a culture of exporting
  - No cost, confidential, in-depth & long-term export advice
  - Assessment of export readiness
  - Co-development of export plan
  - Guidance through export forms and barriers
- ▶ Joint with SBDC, WSDA, WSU IMPACT Center, CERB
  - Andrew Cassey, cassey@wsu.edu
  - Yunfei Zhao, yunfei.zhao@email.wsu.edu
- ▶ Material and publications
  - Trends in Washington State Exports Vol 4
  - A Primer on Exchange Rates
  - Quickstart Guide to Agricultural Exporting
  - Online, filterable tariff database (*forthcoming*)

